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6 **UNITED STATES BANKRUPTCY COURT**  
7 **EASTERN DISTRICT OF WASHINGTON**

8 In re:  
9 GIGA WATT, Inc., a Washington  
10 corporation,  
11 Debtor.

Case No. 18-03197-FPC

The Honorable Frederick P. Corbit  
Chapter 7

11 **WALDRON DECLARATION IN**  
12 **SUPPORT OF TRUSTEE'S**  
13 **MOTION FOR AUTHORITY TO**  
14 **PAY EXPENSES INCIDENT TO**  
**DISCOVERY IN PERKINS**  
**ADVERSARY PENDING**  
**SETTLEMENT NEGOTIATIONS**

15 I, Mark D. Waldron, as the chapter 7 trustee ("Trustee") in the above-  
16 captioned bankruptcy case, hereby declare as follows:

17 1. I am over 18 years of age, of sound mind, and otherwise competent  
18 to make this Declaration.

19 1. I submit this declaration in support of the *Trustee's Motion for*  
20 *Authority to Pay Expenses Incident to Discovery in Perkins Adversary Pending*  
21 *Settlement Negotiations* ("Motion").

22 WALDRON DECLARATION IN SUPPORT OF  
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2. The statements made herein are based on my review of the Debtor's books and records, including the invoices sent by Lighthouse, Inc., and LexBe, Inc.

3. On May 3, 2022, this Court authorized me to pay up to \$32,107 in discovery expenses in the Perkins Adversary pursuant to the *Order Granting Trustee's Motion for Authority to Incur and Pay Expenses Incident to Discovery in Perkins Adversary*, ECF No. 958. Of that amount, \$22,507 was designated for depositions and \$9,600 was designated for extracting, processing and storing the documents obtained from Lighthouse, Inc. in a database.

Discovery expenses are less than the budgeted amount. Total expenses are \$19,107, leaving a budget balance of \$13,000. Expenses for depositions were only \$4,507. However, fees for electronic document extraction, processing, and storing have exceeded the \$9,600 that was allocated for this category of discovery expenses. The excess amount totals \$6,600 as set forth below:

Payee	Description	Amount
Lighthouse	Extraction costs	\$1,400
LexBe	Database management	\$4,200
Total		\$6,600

4. The fees for database management accrue at the rate of \$600 a month. The estate currently owes \$2,400 for fees accrued from November 2022 through February 2023 (4 x \$600 = \$2,400). March has not been billed, yet. However, \$600 will be due for March. Additional fees will be incurred for the

WALDRON DECLARATION IN SUPPORT OF  
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1 months of April and May 2023 (2 x \$600 = \$1,200) pursuant to the LexBe  
2 database subscription agreement which expires in May 2023.

3 5. In addition to permission to pay the \$6,600 as described above, I  
4 request permission to pay an additional \$500 to LexBe, Inc. in fees to maintain the  
5 Lighthouse document database in a “hibernation” state starting on June 1, 2023  
6 and ending on October 31, 2023 at the rate of \$100 per month. I believe that this is  
7 appropriate and necessary while I finalize the settlement of the Perkins Adversary  
8 and the WTT Token class action. Converting the database to a hibernation state  
9 pending finalizing the settlement will reduce the estate’s monthly overhead while  
10 retaining the ability to resurrect the database efficiently should the parties not be  
11 able to finalize their agreement and obtain the necessary Court approvals.

12 6. The foregoing chart compares the cost of resurrecting the database  
13 after hibernation with the higher cost of resurrecting the database after  
14 cancellation:

	Hibernation Option	Cancellation Option
<b>June – October 2023</b>	\$500	\$0
<b>Resurrecting</b>		
<b>Archiving</b>		\$975
<b>Processing</b>		\$900
<b>Hard Drive Disk</b>		\$150
<b>Total Amount</b>	\$500	\$2,025
<b>Days to Resurrect</b>	3	7-10 days

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22 WALDRON DECLARATION IN SUPPORT OF  
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1           7.     As set forth in the chart above, it will take less time to resurrect the  
2 database from hibernation than from cancellation. I will also have the ability to  
3 cancel the hibernation by providing notice. The termination will occur at the end  
4 of the month when the notice is provided. Thus, if the settlement is finalized  
5 before October 2023, then the estate will not have to pay for the remaining  
6 months. The hibernation will automatically end on October 31, 2023.

7           8.     The estate has a total of \$492,837.09 in cash on hand. Pursuant to the  
8 Order: (i) Approving the Sale of Moses Lake Equipment and Related Relief, (ii)  
9 Approving Bid Procedures, and (iii) Shortening Time to Object, ECF 765, dated  
10 October 20, 2020, \$112,000 of that amount is encumbered, leaving \$380,837.09 in  
11 unencumbered funds. Outstanding Chapter 7 administrative expenses are as  
12 follows:

<b>Pending Chapter 7 Administrative Expenses</b>	<b>Amount</b>
Attorneys' Fees Incurred but Not Paid (for the period January 27, 2023 to March 28, 2023)	\$3,000
Accountants' Fees (estimated)	\$10,000
<b>Total</b>	<b>\$13,000</b>

16           9.     Based on the foregoing, I believe that incurring and paying the  
17 foregoing expenses is a prudent exercise of my business judgment under the  
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22 WALDRON DECLARATION IN SUPPORT OF  
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1 circumstances of this case. I further believe that granting the Motion is in the best  
2 interests of the Debtor's estate and its creditors.

3 I declare under penalty of perjury that the foregoing is true and correct.

4 Executed on this 3 day of April 2023 in Tacoma, Washington.

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6  
7 Mark D. Waldron  
8 *Attorneys for Mark D. Waldron,*  
9 *Chapter 7 Trustee*

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